

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION

In the Matter of: )  
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Business Meeting )  
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CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA

WEDNESDAY, SEPTEMBER 30, 2009

10:05 A.M.

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COMMISSIONERS PRESENT

Karen Douglas

Jeffrey D. Byron (Via Telephone)

Julia A. Levin

STAFF PRESENT

Melissa Jones, Executive Director

William Chamberlain, Chief Counsel

Harriet Kallemeyn, Secretariat

Mark Hutchison

Valerie Hall

Gabe Herrera

ALSO PRESENT:

Public

Roy McBrayer, DGS

Laura Franke, Clean Energy Advocates for CSPA

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CHAIRPERSON DOUGLAS: Good morning everybody.

Commissioner Byron, are you on the line?

COMMISSIONER BYRON: I am, thank you.

CHAIRPERSON DOUGLAS: Very good. We can hear you loud and clear, thank you for joining us by phone.

And apologies to everybody for the technical difficulties but it looks like we are on our way now.

Welcome to the Business Meeting of September 30<sup>th</sup>, 2009 and please join me for the Pledge of Allegiance.

(Whereupon the Pledge of Allegiance was recited in unison.)

CHAIRPERSON DOUGLAS: Very well, beginning then with Item One, Department of General Services, Mr. Hutchinson and Mr. McBrayer, welcome.

MR. HUTCHISON: Good morning, Commissioners, Mark Hutchinson with the Executive Office. As you mentioned, joining me up at the dais up there is Roy McBrayer with the Executive Office at the Department of General Services.

I'm very pleased to bring before you an interagency agreement between the Energy Commission and Department of General Services that will launch the energy-efficient, State Property Revolving Loan Program.

The program will provide loans to State departments and agencies for energy efficient projects on

1 State owned buildings to achieve long-term energy efficiency  
2 and energy cost avoidance.

3 DGS will administer the program through a  
4 collaborative process with the Energy Commission. The  
5 program will focus on projects that reduce electricity load  
6 during peak demand periods and enduring energy savings, have  
7 the potential for job creation in areas of economic need,  
8 and have a shorter payback period for the first cycle of  
9 loans.

10 I would like to take a moment here to clarify that  
11 the interagency agreement is a non-funding agreement, its  
12 primary purpose is to define the program objectives and  
13 roles and responsibilities of the Energy Commission and DGS.

14 The funds for this effort are actually authorized  
15 to be transferred to the newly established Revolving Loan  
16 Fund pursuant to AB 11, which is also Chapter 11 statutes of  
17 2009, a trailer bill passed with the 2009-10 Budget Act.

18 I'm available to answer any questions, but I also  
19 want to give Mr. McBrayer an opportunity to speak.

20 CHAIRPERSON DOUGLAS: Very well. Welcome to the  
21 Energy Commission and please do speak.

22 MR. MC BRAYER: Thank you. Thank you, Mark. I  
23 would just like to communicate from the Department of  
24 General Services and with respect to the Governor's Green  
25 Building Program how much we support this initiative, how

1 much we appreciate the collaboration with the California  
2 Energy Commission staff in putting this agreement together.

3           This has been one of the most challenging but,  
4 yet, promises to be one of the most rewarding elements of  
5 the Governor's Green Building Initiative. The fact that we  
6 have now nearly put in place a truly sustainable funding  
7 mechanism that will be able to carry the high up-front costs  
8 of acquiring energy efficiency in our buildings, the costs  
9 of reinvigorating our building infrastructure with projects  
10 that not only reduce our energy uses and peak demand, but  
11 also produce greenhouse gas emission reductions, provide  
12 healthier and cleaner environments for us to work in, truly,  
13 you know, this is one of the greatest achievements I think  
14 that can be looked back upon with this Administration as  
15 having put this in place.

16           And so we would just like to communicate our  
17 support for this initiative and thank the Energy Commission  
18 for all of the great collaboration in helping put it  
19 together.

20           CHAIRPERSON DOUGLAS: Well, thank you very much.

21           I understand, Ms. Jones, you wanted to make a  
22 comment?

23           EXECUTIVE DIRECTOR JONES: Yes, Madam Chairman and  
24 Commissioner.

25           There's a number of people here, both inside this

1 building and outside of this building that made this come  
2 about and I'd like to quickly now acknowledge them.

3 Mark Hutchinson you see there. Pat Perez, Panama  
4 Bartholomy, Gabe Herrera, Melanie Moultry, Jane Heinz, John  
5 Sugar, Gabe Taylor, Claudia Chandler.

6 And I would be remiss if I didn't acknowledge  
7 people from outside the Commission, in particular DGS, the  
8 Governor's Office and Finance.

9 You've already met Mr. McBrayer. I'd like to  
10 thank Will Semmes, who started this off and then has left  
11 and now we have Scott Harvey, who we'd like to acknowledge,  
12 as well as Teresa Byers, Dean Lewis, and Lakenya McCloud who  
13 all were essential to this effort.

14 In addition, we'd like to acknowledge Cynthia  
15 Bryant, the head of the Recovery Team, for her assistance in  
16 helping this come to place.

17 And then finally, Department of Finance worked  
18 very closely with us. I'd like to thank Karen Finn and Ken  
19 DaRosa from Finance.

20 CHAIRPERSON DOUGLAS: Very good, thank you for  
21 that.

22 Commissioner Levin?

23 COMMISSIONER LEVIN: I would just like to thank  
24 Mr. McBrayer and DGS, and say on behalf of the Energy  
25 Efficiency Committee, of the Energy Commission, we are also

1 very, very excited about this, about making State buildings  
2 even more the model of green energy efficient buildings.

3 And we are very much looking forward to and I  
4 think it's very important to continue to work together  
5 closely in implementation of this so we really do maximize  
6 energy efficiency and savings for ratepayers and actually in  
7 this case for taxpayers. So this is very exciting and thank  
8 you for moving forward on it.

9 CHAIRPERSON DOUGLAS: Thank you, Commissioner  
10 Levin, and I fully agree with those sentiments. I believe  
11 that the Energy Commission is going to help contribute to a  
12 very important and impressive set of accomplishments for our  
13 energy system with this, with stimulus funding, working with  
14 the Department of Energy, other State agencies and  
15 stakeholders.

16 And from my perspective, looking at the very broad  
17 sweep of activities that we are covering and working on for  
18 stimulus, this is one of the programs that I'm particularly  
19 proud of and really am pleased to sit here today and see it  
20 coming to fruition.

21 We had to work very closely with DGS, and Finance,  
22 and the Governor's office, and there was strong legislative  
23 support as well, and I think there's just tremendous support  
24 and buy-in for the creation of this fund, which will be a  
25 legacy. Starting now with stimulus money but, as Mr.



1 McBrayer said, continuing on into the future that will help  
2 us continually modernize and invest in the efficiencies in  
3 the State buildings that will reduce our energy costs,  
4 reduce energy consumption, and help the environment, and  
5 keep coming back and come back through reinvestment.

6           So it's a very important step forward and has been  
7 really a long time in coming and now we've got it. So we're  
8 very pleased to move forward and thank DGS, and Finance, and  
9 other partners very, very much for this.

10           So Commissioner Byron, I can't see you on the  
11 phone, do you have any comments?

12           COMMISSIONER BYRON: I do. And I'd like to add my  
13 accolades as well to staff and all those involved in  
14 creating this program. It really is rather extraordinary  
15 that an economic crisis has precipitated or provided the  
16 kind of funding that will help make State buildings more  
17 energy efficient and create jobs at the same time.

18           And just like our staff, Mr. McBrayer's got plenty  
19 to do on his plate and it's great to hear his enthusiasm to  
20 take on additional projects with these funds.

21           Mr. McBrayer, any chance we could apply for  
22 some --

23           (Laughter.)

24           COMMISSIONER BYRON: -- new building with some of  
25 these funds?

1 MR. MC BRAYER: We have established --

2 COMMISSIONER BYRON: Mr. McBrayer, unfortunately  
3 you can't see me on this side, but that wasn't a rhetorical  
4 question.

5 MR. MC BRAYER: No, sir, I know what you look like  
6 so --

7 (Laughter.)

8 COMMISSIONER BYRON: But have you administered  
9 these kind of programs in the past or is this a new program  
10 for DGS?

11 MR. MC BRAYER: Well, DGS has implemented energy  
12 efficiency projects in the past, but those projects have  
13 always been faced with struggles in trying to find ways to  
14 fund, provide the up-front funding for the project  
15 development costs and this fund will provide that funding.

16 I might add that we have already been working with  
17 many State agencies to establish partnerships to help us  
18 move forward very quickly on this. One, the Department of  
19 Motor Vehicles has identified quite a large number of small  
20 facilities that will allow us to get out there and quickly  
21 implement some projects and see very short paybacks on  
22 those.

23 And so we're building on the experience of the  
24 past, but now we have a funding mechanism that's much more  
25 capable than anything we've ever seen before.

1 COMMISSIONER BYRON: Excellent.

2 Madam Chair, I propose we let them get started, I

3 move we approve Item 1.

4 COMMISSIONER LEVIN: Second.

5 CHAIRPERSON DOUGLAS: All in favor? Oh, roll

6 call.

7 SECRETARIAT KALLEMEYN: Commissioner Byron?

8 COMMISSIONER BYRON: Aye.

9 SECRETARIAT KALLEMEYN: Commissioner Levin?

10 COMMISSIONER LEVIN: Aye.

11 SECRETARIAT KALLEMEYN: Chairman Douglas?

12 CHAIRPERSON DOUGLAS: Aye.

13 SECRETARIAT KALLEMEYN: The motion carries.

14 CHAIRPERSON DOUGLAS: Thank you. Thank you very

15 much and, as Commissioner Byron said, let's get on with it,

16 let's improve some buildings.

17 All right, Item 2. Item 2, State Energy Program

18 Guidelines, possible adoption of guidelines for the State

19 Energy Program.

20 Ms. Hall.

21 MS. HALL: Good morning. My name is Valerie Hall;

22 I'm the Deputy Director for Efficiency and Renewable Energy

23 here at the Commission. I'm pleased to be before you today

24 to bring these guidelines to you for possible adoption

25 today.

1           The guidelines before you today represent the  
2 Energy Commission's ARRA, AdHoc and Efficiency Policy  
3 Committees' recommended response to the Federal Department  
4 of Energy's State Energy Program Opportunity under the  
5 American Recovery and Reinvestment Act.

6           DOE direction on the SEP encouraged states to  
7 develop SEP strategies that align with national goals of  
8 increasing jobs, reducing U.S. oil dependency through  
9 increases in energy efficiency technologies, promoting  
10 economic vitality through an increase in green jobs, and  
11 reducing greenhouse gas emissions.

12           The directions also encourage states to focus  
13 their program efforts on market transformation initiatives,  
14 strategic interventions that cause lasting changes in the  
15 structure or function of a market or the behavior of market  
16 participants resulting in an increase in adoption of energy  
17 efficiency and renewable energy products, services, and  
18 practices.

19           The Commission developed programs through these  
20 guidelines that aggressively target the national goals and  
21 are innovative and market transformative.

22           In order to meet all Federal and State laws for  
23 issuing this ARRA funding the Commission is required to  
24 develop guidelines from which a solicitation for bids is  
25 developed.

1           Successful bids will then be awarded contracts to  
2 perform the work outlined in these guidelines and further  
3 described in the soon-to-be-released solicitations.

4           After discussions with the Efficiency Policy  
5 Committee and the ARRA Ad-Hoc Committee staff developed  
6 draft guidelines that were posted for public review and  
7 comment on July 16<sup>th</sup>.

8           Staff conducted three workshops for the exclusive  
9 purpose of engaging in dialogues with the public regarding  
10 the draft SEP guidelines. The workshops were conducted on  
11 July 28 in Stockton, July 29 in San Francisco, and July 30  
12 in San Diego. Each of these venues had interested  
13 participants who provided good questions and critiques of  
14 the draft.

15           Each venue was also open to a large number of  
16 additional parties who participated via WebEx; approximately  
17 500 people participated in the three workshops.

18           Based on the information that we gathered from the  
19 workshops and from the 47 sets of written comments filed in  
20 the docket regarding the draft guidelines, staff and the  
21 ARRA AdHoc Committee modified the draft into the final  
22 Committee proposed guidelines, posted for public review on  
23 August 28<sup>th</sup>.

24           An additional informative workshop was conducted  
25 on that same day in Los Angeles, covering both the topic of

1 the SEP guidelines and the Block Grant guidelines.

2           The SEP guidelines have been available for public  
3 review for the required 30-day period. During that period  
4 staff has responded to many questions from the public. We  
5 also received three letters with written comments, and staff  
6 discussed these comments with the Committee and concluded  
7 that no changes are appropriate to be made to the guidelines  
8 prior to their adoption today.

9           These guidelines focus on the \$95 million spread  
10 across the three program areas, the Municipal Financing  
11 Program, the Comprehensive Residential Building Retrofit  
12 Program, and the Municipal and Commercial Building Targeted  
13 Measure Retrofit Program.

14           The guidelines do not pre-determine how much of  
15 the \$95 million is allocated to each of the three program  
16 areas, to allow the greatest flexibility to fund the  
17 programs.

18           The guidelines recognized the need to have  
19 efficiency programs that are integrated with the new  
20 Workforce Training efforts so that the training is directly  
21 matched to the new workers created by these programs. In  
22 this way newly trained people are more likely to have jobs.

23           All three of the programs target existing  
24 buildings, where energy efficiency is critical and yet faces  
25 many barriers.

1           Let me briefly describe the three major program  
2 areas. Municipal Financing Program, the purpose of this  
3 program is to assist cities, counties and groups of cities  
4 and counties in developing or continuing the implementation  
5 of their own municipal financing programs. These are often  
6 referred to as the AB 811 style financing programs.

7           These programs allow building owners to finance  
8 energy efficiency and on-site renewable energy improvements  
9 which are permanent to the building through an assessment  
10 that's paid along with their property tax.

11           We anticipate that this program, funded by  
12 ARRA/SEP to be unique and trend setting for the rest of the  
13 country since the innovative concept of municipal financing  
14 started and is being vigorously pursued here in California.

15           Local governments will be able to use the ARRA  
16 funds awarded through this program for things such as  
17 program start-up costs, ongoing program costs, home energy  
18 ratings and energy audits, building commissioning, which is  
19 a similar process for commercial buildings, interim  
20 financing, low interest rate buy-down, and low income  
21 homeowner grants or rebates.

22           The Comprehensive Residential Buildings Retrofit  
23 Program is designed to stimulate the creation of jobs and  
24 stimulate the economy through implementing energy retrofits  
25 in existing residential buildings. This program will work

1 with regional groups of local governments, utilities,  
2 community colleges, national and state affordable housing  
3 programs, and private and public sector experts to deliver a  
4 tiered approach to put Californians back to work.

5           It's designed to coordinate with the Workforce  
6 Training efforts and can leverage affordable housing and  
7 neighborhood stabilization programs to bring the advantages  
8 of energy efficiency to economically disadvantaged  
9 neighborhoods.

10           The tiered aspect of this program allows a range  
11 of simple to more complex retrofits in homes and multi-  
12 family residential buildings.

13           The first two tiers use simple checklists. Tier  
14 one targets low cost items that can be determined through a  
15 visual inspection by a minimally trained person.

16           Tier two targets measures that require  
17 installation by a specialty contractor, such as HVAC or an  
18 insulation contractor. These folks can be trained in a  
19 short time to provide quality installation measures within  
20 the scope of their specialty license.

21           The third tier achieves whole house retrofits  
22 using a HERS rater approach and building performance  
23 contractors who are trained to accomplish deeper  
24 comprehensive retrofits.

25           The energy savings per home achieved by these



1 tiers range from a low in tier one to a high in tier three.

2 This is an innovative program that represents the  
3 Commission's engagement in a three-agency commitment to  
4 aggressively pursue high energy savings and GHG reduction  
5 potentials in existing residential buildings.

6 The Air Board's Scoping Plan has identified this  
7 sector as the largest single source of GHS reductions  
8 obtainable through energy efficiency and has strongly  
9 supported the Energy Commission and the CPUC to vigorously  
10 pursue this opportunity.

11 Let's see, the Municipal and Commercial Building  
12 Targeted Measure Retrofit Program. This program will focus  
13 on achieving significant energy savings from targeted  
14 retrofit measures where opportunities exist in large numbers  
15 across the State's municipal and commercial building  
16 sectors.

17 The intent is to go after the savings potential of  
18 a few targeted measures in many buildings, where those  
19 measures can be readily applied.

20 The measures targeted are best practice measures  
21 that go beyond traditional measures that historically have  
22 received utility rebates. This program is innovative in  
23 that it advances the wide dissemination of California energy  
24 efficiency technology by inviting bidders to propose  
25 programs to creatively mass deliver the targeted measures.

1           The targeted measures have already been  
2 demonstrated to achieve substantial energy savings compared  
3 to the existing equipment they will replace.

4           Examples include occupancy control, bi-level  
5 lighting fixtures for parking lots, parking garages and  
6 exterior walkways.

7           Or best practice technologies for commercial  
8 kitchen ventilation and HVAC systems.

9           By wisely delivering the targeted features and  
10 actively communicating the results of the retrofits, the  
11 program is designed to raise consumer awareness and  
12 influence and contribute to ongoing efficiency efforts.

13           So what happens next? The guidelines provide the  
14 foundation for the requirements that will appear in the  
15 solicitations regarding the awarding of funds, the reporting  
16 requirements, the monitoring and auditing. And with your  
17 approval of the guidelines, staff will complete the  
18 solicitations that seek bidders for the three program areas,  
19 the Comprehensive Residential Retrofit Program, the  
20 Municipal Financing Program, and the Municipal and  
21 Commercial Targeted Measure Retrofit Program.

22           Staff has been developing the solicitation over  
23 the last several weeks in parallel to the development and  
24 finalization of the guidelines to avoid the typical  
25 sequential process in an effort to shorten the time needed

1 to get the solicitation on the street, and provide as much  
2 time as possible for the winning proposers to successfully  
3 carry out their programs.

4 We'd originally planned to issue this solicitation  
5 package tomorrow, immediately following today's adoption of  
6 the guidelines, but we are completing some final edits in  
7 review of the solicitation and expect to issue it a week  
8 later, on October 8<sup>th</sup>.

9 A schedule of when the bidders' conference will be  
10 held, which is being postponed from the original date of  
11 October 6<sup>th</sup> to a later date, and when the bids will be due is  
12 being revised right now and will be available shortly.

13 Adoption of the guidelines must occur prior to  
14 issuing the solicitation, so we seek your approval today.  
15 However, prior to your vote on the guidelines, themselves,  
16 Gabe Herrera, who is sitting here with me, from our General  
17 Counsel's office, will provide you with the necessary CEQA  
18 data.

19 CHAIRPERSON DOUGLAS: Okay, and Ms. Jones, you  
20 wanted to make a comment as well; would you like to wait for  
21 the CEQA statement?

22 EXECUTIVE DIRECTOR JONES: Yes.

23 CHAIRPERSON DOUGLAS: Please, go ahead.

24 MR. HERRERA: Commissioners, good morning, Gabe  
25 Herrera, with the Commission's Legal Office. A few comments

1 concerning the California Environmental Quality Act,  
2 commonly referred to as CEQA. So when the Commission  
3 proposes the adoption of guidelines, such as these, the  
4 legal office evaluates the guidelines to determine whether  
5 the adoption of the guidelines, themselves, constitute a  
6 project under CEQA and, if so, whether an environmental  
7 review under CEQA is required.

8           In this case, these guidelines, the Commission's  
9 adoption is not a project under CEQA because the guidelines  
10 fall within a list of excluded activities, specifically  
11 under Title 14, of the California Code of Regulations,  
12 Section 15378, subdivision (b)(2) and (4), in that the  
13 activity relates to general policy and procedure making and  
14 the creation of a government funding mechanism which does  
15 not involve any commitment to a specific project which may  
16 result in a potential significant effect on the environment.

17           In addition, the adoption of the guidelines is  
18 exempt from CEQA under what is commonly referred to as the  
19 "common sense exception" and that's an exception that's  
20 identified in Title 14, at the California Code of  
21 Regulations, Section 15061, subdivision (b)(3). That  
22 section indicates that CEQA applies only to projects that  
23 have a "significant effect on the environment," which is  
24 further defined in statute as being "a substantial average  
25 change in the environment."

1                   So that concludes my comments, thank you.

2                   CHAIRPERSON DOUGLAS: Thank you, Mr. Herrera.

3                   Ms. Jones.

4                   EXECUTIVE DIRECTOR JONES: I have one thing to add  
5 in terms of the guidelines. We plan to bring an amendment  
6 forward to incorporate the Clean Energy Systems Program into  
7 the SEP program. This will provide funding for DG, CHP, and  
8 for manufacturing. So we'll be bringing that forward in a  
9 couple of weeks.

10                  And then, again, we had a very large and very  
11 active team that allowed us to pull all this together, I  
12 would like to acknowledge them.

13                  Mark Hutchison, Pat Perez, Suzanna Churchill,  
14 David Hungerford, Panama Bartholomy, Devi Eden, Suzanne  
15 Jones, Bob Aldrich, Claudia Chandler.

16                  In addition we have Adele Suliman, John Sugar, Al  
17 Estrada, Elizabeth Shirah, John Butler, Joelle Kelly,  
18 Stephanie Baily, Larry Rillera, and Linda Kelly.

19                  Finally, the attorneys who are assisting us are  
20 Gabe Herrera, Michael Heinz, and Melanie Moultry.

21                  I forgot a few, Bill Pennington, Martha Brooks,  
22 Hillary Twelves, Steve Bonta, John Butler, Angela Gould,  
23 Betty La Franchi, Eric Jensen, Helen Lam, Vanessa Byrd.

24                  And finally our contracts office who's been very  
25 active, Cheryl Raedel, Elizabeth Stone, Andrew Ferrin, and

1 Angela Hockaday.

2 None of this would be possible without the very  
3 hard work of all these individuals.

4 COMMISSIONER LEVIN: I would just like to add a  
5 few to that already long list, certainly starting with  
6 Valerie Hall and Bill Pennington, and many other staff from  
7 the Energy Efficiency section, who I think worked extremely  
8 hard, long, many unpaid hours on this. And the whole Energy  
9 Efficiency team, I think, has just done Herculean work and  
10 definitely belong on any thank you list. So thank you.

11 MS. HALL: I would also like to add Rashid Mir,  
12 who I think whose name was not on that original list.

13 COMMISSIONER LEVIN: Could I ask a clarification,  
14 Ms. Jones, the DG and other areas that you mentioned, those  
15 would come out of the \$95 million or that would be an  
16 additional set related to the project?

17 EXECUTIVE DIRECTOR JONES: It's not part of the  
18 95.

19 COMMISSIONER LEVIN: Okay.

20 EXECUTIVE DIRECTOR JONES: It's part of the  
21 original SEP allocation, which is much larger. The 95 is  
22 focused on these three program areas.

23 COMMISSIONER LEVIN: Okay, I thought so but I just  
24 wanted to clarify it.

25 CHAIRPERSON DOUGLAS: Although I will add, you

1 know, that we have created ranges, not fixed amounts for all  
2 of these categories, and we have explicitly maintained the  
3 discretion to adjust within and potentially outside of the  
4 ranges as needed.

5 But the answer to that is yes, the CH -- the Clean  
6 Energy Systems Program, which will be moving through the  
7 Electricity and Natural Gas Committee, has an allocation.

8 COMMISSIONER LEVIN: I'm not clear then. So we  
9 are voting today whether or not to approve up to \$95  
10 million --

11 CHAIRPERSON DOUGLAS: Yes.

12 COMMISSIONER LEVIN: -- to be spent in three  
13 categories. I don't read any language in here that allows  
14 that \$95 million to be spent on DG, CHP, other issues that  
15 could be other State Energy Program money, but I don't see  
16 that language in the guidelines for the first \$95 million.

17 MR. HERRERA: Commissioner Levin, if I could  
18 respond to that question? So the Energy Commission grant  
19 from DOE is for \$226 million, so that money was divvied up  
20 to different program activities within the State Energy  
21 Program.

22 The contract with the Department of General  
23 Services of 25 million was one portion of the 226 million.  
24 There are -- there's another -- several other interagency  
25 agreements with EDD and the Employment Training Panel and

1 that's another 25 million, there's the Energy Commission  
2 Administration, and then 95 million for these three program  
3 elements within the State Energy Program.

4 And then the Clean Energy Programs will be funded  
5 with money that is left over.

6 But in fact, as Commissioner Douglas indicated,  
7 the Commission has reserved authority to reallocate money.  
8 So for example, if the SEP programs gets a lot of interest  
9 and there's certainly worthy projects that exceed 95  
10 million, the Commission can at a later date take some of the  
11 remaining balance of the 226 and pour it into the \$95  
12 million for these projects.

13 COMMISSIONER LEVIN: Okay, but just to be crystal  
14 clear, we would have to come back and make a decision,  
15 revising today's decision if we want some of the 95 million;  
16 I'm only asking about that pot?

17 MR. HERRERA: Yes.

18 COMMISSIONER LEVIN: The 95 million that we're  
19 approving today, if we want to spend it on something other  
20 than these three program areas, we would have to come back  
21 and revisit that decision as a Commission?

22 MR. HERRERA: That's correct, yes.

23 COMMISSIONER LEVIN: Okay, we're not currently  
24 authorizing those additional uses with this \$95 million?

25 MR. HERRERA: No, you're not.



1 COMMISSIONER LEVIN: Okay, that's what I just  
2 wanted to be clear. Thank you.

3 COMMISSIONER BYRON: Madam Chair, may I ask a  
4 question as well with regard to funding at this time?

5 CHAIRPERSON DOUGLAS: Absolutely. I do have --  
6 before we do that, I do have one blue card from the public.  
7 I want to ask if there are other members of the public who  
8 would like to speak to please fill one out or at least wave  
9 your hand.

10 And Commissioner Byron, would you like to ask now  
11 or would you -- you know, if it's on point maybe we should,  
12 before we take public comment.

13 COMMISSIONER BYRON: Thank you, I think it is the  
14 right time to ask because I, likewise, want to make sure  
15 that I understand the authorization and Mr. Herrera's  
16 response to Commissioner Levin I understood completely. But  
17 I just want to make sure, are we also authorizing a minimum  
18 of \$25 million in ARRA/SEP funds under for the Low-Interest  
19 Energy Efficiency Financing Program at this time?

20 MR. HERRERA: If I can respond to that question,  
21 Commissioner Byron, the Commission, at a previous Business  
22 Meeting, has already approved the \$25 million for the Low-  
23 Interest ECO loan augmentation. So that's already been  
24 taken --

25 COMMISSIONER BYRON: As you say it I remember it.

1 As you say it I remember it, thank you for the reminder.

2 MR. HERRERA: Okay.

3 CHAIRPERSON DOUGLAS: Right, and the funding for  
4 the DGS agreement was actually provided through the budget  
5 to DGS by the Legislature.

6 COMMISSIONER BYRON: I see. Okay, thank you.

7 CHAIRPERSON DOUGLAS: Public comment then, I have  
8 one card from Laura Franke. Please come forward.

9 MS. FRANKE: Here?

10 CHAIRPERSON DOUGLAS: Yes.

11 MS. FRANKE: Good morning, my name is Laura Franke  
12 and I'm representing Clean Energy Advocates, I'm the founder  
13 and principal of that company that's based in Santa Monica,  
14 California.

15 Currently, we're serving as the financial advisors  
16 to the California School Boards Association on their Schools  
17 Targeted Energy Program, as well as working with several  
18 cities to implement their regional pooled AB 811 programs.

19 I'd like to comment today on both the Municipal  
20 Financing Program and the Targeted Municipal and Commercial  
21 Building Targeted Measure Retrofit Program.

22 First, with regard to the Municipal Finance  
23 District portion, I would like to suggest the importance of  
24 funding recognition to multi-agency regional programs.  
25 These pooled programs will be able to achieve the economies

1 of scale and funding economics necessary to create a program  
2 that can be sustained beyond the initial grant funding.

3           Additionally, we certainly agree with the CEC's  
4 priority of loading order, but would suggest that requiring  
5 compliance from private owners may reduce acceptance of  
6 these programs by consumers.

7           We'd like to encourage recognition of program  
8 features that support loading order priority without  
9 necessarily requiring it for SEP program funding.

10           Second, with regard to Municipal Financing  
11 District portion, I would like to suggest the importance of  
12 funding -- excuse me -- with regard to the Municipal and  
13 Commercial Building Targeted Measure Retrofit Program  
14 portion of the guidelines, I'd like to suggest that the  
15 Commission make special note of the fact that K through 12  
16 schools are an important segment within the umbrella of  
17 municipal agencies that want to take advantage of these  
18 stimulus funds to reduce the carrying cost of their  
19 buildings.

20           Schools are well positioned to offer energy  
21 training to their employees, incorporate this knowledge into  
22 their curriculum, and create healthy environments that are  
23 more conducive to learning.

24           Schools face extraordinary pressure to cut their  
25 costs in this budget climate and the SEP funds, leveraged

1 with the utility incentives and in some cases stat issues,  
2 will allow our districts to move forward with energy  
3 efficiency measures that they have been holding off on due  
4 to the current fiscal condition.

5 Finally, in order for schools to leverage grant  
6 funds with debt issuance they many need to incorporate  
7 measures beyond those identified in the guidelines to reach  
8 aggregate amounts that warrant debt issuance.

9 Thank you for your consideration and we look  
10 forward to working with the Commission to see that the SEP  
11 funds make significant changes in California's energy  
12 consumption profile. Thank you.

13 CHAIRPERSON DOUGLAS: Thank you for your comments.

14 Other Commissioner questions or comments?

15 COMMISSIONER LEVIN: I would just like to thank  
16 all of the long list of staff and outsiders, Ms. Franke,  
17 Cisco DeVries, and others who have helped with these. And  
18 if there aren't other comments, I would be honored to move  
19 for approval.

20 COMMISSIONER BYRON: And likewise, another  
21 extraordinary effort on the part of all the staff, and I'll  
22 certainly second the item for approval.

23 CHAIRPERSON DOUGLAS: All right, and I almost need  
24 not say more but, again, thank you to staff for all of your  
25 hard work. The time pressure that you have been under is

1   tremendous and I know everybody is pouring all of their  
2   energy into this right now and on top of, of course, doing  
3   the other work that you do.

4           I think that's why, if we step back, we don't  
5   always have the tradition of thanking staff for everything  
6   that comes before the Business Meeting, although maybe we  
7   should, but the work on stimulus has definitely been above  
8   and beyond in quite a literal sense, as well as the  
9   metaphorical sense, so thank you.

10           And with that all -- or Harriet, please call the  
11   role.

12           SECRETARIAT KALLEMEYN:   Commissioner Byron?

13           COMMISSIONER BYRON:   Aye.

14           SECRETARIAT KALLEMEYN:   Commissioner Levin?

15           COMMISSIONER LEVIN:   Aye.

16           SECRETARIAT KALLEMEYN:   Chairman Douglas?

17           CHAIRPERSON DOUGLAS:   Aye.

18           SECRETARIAT KALLEMEYN:   The motion carries.

19           CHAIRPERSON DOUGLAS:   Thank you.   Is there any  
20   public comment?   Seeing none, we will be adjourned.

21           (Whereupon, at 10:56 a.m., the Business  
22   Meeting was concluded.)

23                                   --oOo--

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